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S E C R E T LA PAZ 000844

SIPDIS

E.O. 12958: DECL: 10 YEARS AFTER CHANGE IN GOVERNMENT
TAGS: ASEC PGOV PREL PTER PINR BL
SUBJECT: HOW GOB COULD BLAME US FOR ALLEGED TERROR CELL

REF: A. LA PAZ 708
B. LA PAZ 600
C. LA PAZ 593
D. LA PAZ 715
E. LA PAZ 635
F. 08 LAPAZ2374
G. 08 LA PAZ 02543
H. 08 LA PAZ 2483
I. 08 LA PAZ 2374

Classified By: ACTING ECOPOL CHIEF JOE RELK FOR REASONS 1.4
(b) AND (d)

11. (S) Summary: The USG has not yet been directly accused of involvement with an alleged terrorist cell in Santa Cruz. However, there are several factors that could induce the GOB to connect us to suspected extremist groups in Santa Cruz: the petition of political asylum from alleged terrorist Hugo Acha and his wife, allocation of USAID assistance to a Bolivian organization suspected of funding a terrorist cell in Santa Cruz, and an implied USG role based on the GOB's assertion that the Santa Cruz cell leader organized meetings and had contacts in Washington. End Summary.

Conspiracy Theory 1: Hugo Acha as U.S. Agent

12. (SBU) Alfredo Rada, Bolivian Minister of the Government announced April 29 the GOB's plans to ask for the Interpol arrest of Hugo Acha based on his alleged involvement with a group in Santa Cruz accused by the GOB of being a terror cell intent on assassinating President Evo Morales. The alleged cell was dismantled by the Bolivian Government on April 16, resulting in two arrests and three deaths (refs B and C). Prosecutor Marcelo Sosa accused Acha, President of Human Rights Foundation-Bolivia (HRF-B), and his wife Roxana Gentile, an alternate congresswoman with the opposition National Unity (UN) Party, of financing Eduardo Rozsa's self-proclaimed Santa Cruz defense force in late April. Sosa also claimed that Acha met with Rozsa on at least three occasions and that testimony from other terrorist suspects in custody implicate Acha as a financial supporter of the group. Sosa announced June 3 the GOB's plan to request extradition of Acha, who is currently in the United States.

¶ 13. (U) Acha and Gentile deny any involvement in the alleged plot. They publicly admitted knowing Rozsa in his capacity as a journalist, but contended that they never "saw him armed." On April 25, Acha and Gentile traveled to the United States to attend their daughter's graduation. According to May press reports, Acha is currently seeking political asylum on behalf of both himself and his wife. Acha purportedly told reporters the that he feels "defenseless" and will not return to Bolivia, because there are no judicial "guarantees." Gentile returned to Bolivia and, to the best of Post's knowledge, is still in Santa Cruz. Gentile accused the GOB on May 16 of "violating human and constitutional rights, using forms of intimidation and persecution" against her, her family and the people of Santa Cruz.

¶ 14. (C) As a alternate member of the Bolivian Congress, Gentile apparently has immunity from prosecution until the new Plurinational Congress is elected in December. After the new Congress is sworn in, likely in January 2010, congressional immunities will largely end. However, with a lack of a functioning Constitutional Tribunal (ref D), the GOB could well choose to ignore existing immunities, as it has in the case of former Pando Prefect (Governor) Leopoldo Fernandez, who remains jailed in La Paz since September.

Morales Administration Targets Human Rights Foundation

¶ 15. (U) President Morales accused HRF, which he simply called "Human Rights," of working to undermine the government. During his May 1 address, Morales said the group was financed by "outsiders" and that, if the Bolivian police investigation showed the group is linked with pro-opposition terrorist groups, its Bolivian members would be subject to incarceration and its foreign members operating in Bolivia would be expelled. Bolivian Vice-Minister for Social Movements, Sacha Llorenti, a previous target of HRF-B's criticisms, alleged that the group did not have a license to operate in Bolivia, an accusation that was reiterated by the public prosecutor's office and refuted, with documents, by HRF-B.

¶ 16. (U) HRF-B's affiliate organization, Human Rights Foundation, has defended Acha. Spokesman Sarah Wasserman accused President Morales of "vilifying the reputation" of HRF due to HRF-B's reporting on the "destruction of democratic institutions, the grand human rights violations in Bolivia" and the "anti-democratic character of the Morales Administration." HRF-B's Web site (hrfbolivia.blogspot.com) also makes this case, specifically alleging the Presidency Minister Juan Ramon Quintana is afraid of HRF-B's investigation into violence in Pando Department (state) September 11 and 12. A statement on the site also promises to take Acha's case to the OAS' Inter-American Human Rights Court.

¶ 17. (C) Opposition strategist Javier Flores told PolOff that former Bolivian Vice President Victor Hugo Cardenas mentioned his case during his speech at HRF's Freedom Forum May 18-20 in Oslo, Norway. Flores said no formal statement was issued regarding Acha, but that Acha's case, related to affiliate organization HRF-B, was widely discussed and that the Norwegian government delegation offered to help Acha financially while he is "stranded" in Washington.

¶ 18. (U) A letter of resignation was posted on HRF-Bolivia's Web site from four of the organizations seven founding members June 4. It explained that Hugo Acha's failure to step down as president of the HRF-B has compromised the organization's ability to operate democratically and with transparency. The resigning members claim that Acha was named HRF-B's ad hoc president while the organization was seeking to achieve legal status (received in March, 2008). The directors stated that Acha was charged with the responsibility of naming a new board of directors, but that he did not meet with the board regularly and they did not receive updates regarding the organization's activities.

This brought about complaints that HRF-B was not being run democratically, with transparency or according to Bolivian statutes. According to the statutes, the directors claimed that Acha's term as president expired on April 12, 2009, however Acha maintains that the founding members can permanently remain in their positions indefinitely."

Acha Targeted for Pando Report ...

¶9. (S) Acha told PolOff in January that the government was trying to squash his investigation into the Pando violence in September 2008 (reflets E-F) and ensure the HRF-B Pando report was never released. He continues to contend that keeping his Pando findings from public view is the GOB's primary motive for the new charges linking him to "terrorism" and seeking his detention. His investigation planned to reveal that the GOB deliberately provoked a confrontation in Pando and "those who put the campesinos (peasant farmers) in harms way evaded responsibility." He claimed the Pando report could include:

--Interviews with families of "four or five" slain pro-government protesters from Ingave Province in La Paz Department (state). He contended they would claim Minister of Presidency Juan Ramon Quintana recruited their family members, all members of a reserve army unit (Ingave), to provide muscle for a siege on Pando's capital of Cobija in order to sack then Prefect (Governor) Leopoldo Fernandez. Acha said the bodies were expeditiously flown out of Pando and only given to family members after the GOB tried to conceal bullet wounds. The GOB told the family of "Mr. Cruz" that he had died of asphyxia, but did a poor job concealing a massive bullet wound that "destroyed half of his skull." Acha claimed the families are afraid to go public and Acha was not sure he wanted to put them at risk by including them in the report.

--A rebuke of UNASUR's report. Specifically, he planned to discredit UNASUR's contention that prefect employee Pedro Oshiro died next to his truck from stray gunfire, perhaps from his own people. Acha claimed witnesses who were kidnapped by the pro-government group the morning of September 11 told him Oshiro was dragged about five feet from his vehicle and shot in the head by pro-government activists (this version of events also supported by the Peruvian Mission and our own contacts, refs g-i), although he did not know who fired the fatal shot. He also planned to attack UNASUR's contention that Oshiro's death was an isolated incident that should not be considered a catalyst for later violence, which it characterized as a "massacre."

--A description of the videos, which he hoped to release simultaneous with his Pando report, showing the person who likely killed Oshiro (at his side before he was shot; sources from both campesino and pro-opposition activists), of Quintana advocating a violent siege of Cobija (source: family of Jorge Melgar, a Pundit from Beni Department currently jailed for releasing a similar video), and of the airport assault September 12 showing excessive and fatal force on the part of troops (source: an unknown journalist that Acha claimed as of January was still in hiding in Brazil).

... But Is Also Linked to Alleged Terror Cell

¶10. (C) However, Senator Roger Pinto (Podemos, Pando; strictly protect), told PolOff June 3 that, although the government has good reason to try to ensure the HRF-B Pando report is never published, it also has evidence that Acha was involved with the alleged Santa Cruz cell. He said Acha was involved in trying to solicit funds for the group from opposition leaders in the Media Luna, but only in order to "set up a self-defense force for the Media Luna (if the GOB tried to violent repress it), not to assassinate the President" or "any of things the GOB is accusing it of now." Pinto contended that, among others, Acha approached Trinidad Mayor Moises Shriqui with group leader Eduardo Rozsa Flores

to enlist his support. Pinto said Shriqui flatly refused to get involved and discounted the group as "a really bad idea."

¶11. (C) Podemos Deputies Claudio Banegas (Santa Cruz; strictly protect) and Bernardo Montenegro (Cochabamba; strictly protect) told PolOff in May that the congressional investigation into the Santa Cruz group had revealed that Acha did in fact have a relation with it. Montenegro said his involvement was "not at the top of the lighthouse, just at the bottom." The deputies are in contact with Acha and are trying to get him to "reveal everything he knows" to them so they can release it. Banegas explained they hoped to get Acha's story out via the media so that the GOB cannot "continue to use uncertainty to its advantage politically." He argued publicizing Acha's testimony would force a legal case, redirecting the Acha/HRF-B issue from headline speculation to the judiciary, "where it belongs." He thought such a strategy would prevent the GOB from indefinitely casting a net of suspicion over Acha and HRF-B and using links to Acha to arrest or intimidate others. After an initial effort to send leading pundit Carlos Valverde to the United States to interview Acha fell through, Banegas himself now plans to go.

Acha and USG Linked by (Counter-) "Terrorism" Course

¶12. (S) Acha participated in a CHDS (Center for Hemispheric Defense Studies) "Terrorism and Counterinsurgency" course in Washington from October 18 to November 8, 2008. While attending the course, he received a copy of a Bolivian arrest warrant in his name for "sedition, conspiracy ... and terrorism" from his wife Roxana Gentile. She claimed Bolivian police provided her the warrant during a late night search conducted on their Santa Cruz home. Suspecting the Bolivian police would pull him off his flight in La Paz before continuing on to Santa Cruz, Acha changed his travel plans to fly directly to Santa Cruz. As of January, Acha told PolOff he had not heard of any subsequent plans to arrest him and had continued his work with HRF-B. He said he was "keeping a low profile, but not hiding either."

¶13. (S) Comment: Although Acha's arrest warrant could be aimed at Acha's legitimate right to investigate GOB's culpability in September Pando violence, it seems a more likely match with the GOB's current charges against him associated with the alleged Santa Cruz terror cell. In any event, we do not yet know the degree of his association with the group and, as such, should not presume the GOB's case against Acha is as "political" as he would have us believe. It is unknown what details the Bolivian authorities have concerning Acha's trip or the nature of the course. The current Bolivian Administration is already highly suspicious about USG training and has banned official participation in USG courses dealing with military doctrine and intelligence, and all WHINSEC (Western Hemisphere Institute for Security and Cooperation) courses. It is reasonable to assume they would misrepresent the course as "terrorist" training for someone they consider to be at minimum an active anti-government extremist, particularly if they see election-year political gain in entangling the "empire" in their new campaign against terrorism. End Comment.

Conspiracy Theory 2 (Already in Progress):
Linking Us to Groups Linked with "Cell"

¶14. (C) The GOB suspects several Bolivian organizations, including the Bolivian Institute for Foreign Trade (IBCE), of funding the alleged Santa Cruz terror cell. The Morales Administration has argued since August 2007 that the USG is "funding the opposition in the name of democracy" through United States Agency for International Development (USAID) programs (ref A). During a May 21 session of high-level bilateral talks in La Paz, Bolivian UN Charge Pablo Solon and Presidency Minister Juan Ramon Quintana charged that the USG is financing opposition groups in Santa Cruz linked to the

alleged terror cell. Solon specifically mentioned USAID funding of IBCE. USAID provided 330,000 USD to IBCE via the Bolivian Trade and Business Competitiveness II program (BTBC 2) and 80,000 USD via the Andean Regional Program, totaling 410,000 USD, over the last four years. The programs' main objectives were to promote Bolivian trade abroad, attract foreign investment, and promote economic growth through trade agreements. USAID funding for these two programs will end by August 2009.

¶15. (S) Vice President Alvaro Garcia Linera opined May 22, one day after the delegation departed, that it was "simple Aristotelian logic" that the USG was "directly or indirectly the external state structure aiding subversives, separatists, terrorists that were discovered" in Santa Cruz. He postulated that even innocuous USG support of ostensibly opposition-aligned trade and industry groups supported the terror cell by freeing up funds from these organizations that the groups could use to finance the cell's nefarious activities. Other groups targeted by the government include the Chamber of Industry, Commerce and Tourism (Cainco), Chamber of Eastern Livestock and Agriculture (CAO), and the Santa Cruz Federation of Ranchers (Fegasacruz), all of which include members that are also Post contacts.

Conspiracy Theory 3: Guilt by Geographic Association

¶16. (C) Prosecutor Sosa released portions of 17 e-mails translated into Spanish allegedly taken from cell ringleader Eduardo Rozsa's laptop computer June 5. One of the Rozsa's alleged e-mail threats (originally in Hungarian) with a Washington-based contact named "Istvan" discusses a potential trip to Washington, D.C. Istvan proposed three different possible meeting locations: "a principal headquarters of the fraternity," a house near the city, or "one of the hotels." Rozsa allegedly replies that he "leaves the definition of the meeting place to whatever those in the American capital prefer." The e-mails supposedly date from before November 2008. There is no indication so far whether the meeting actually took place. Although the GOB has made no direct assertion that the USG is ipso facto involved with the group based on plans for its leader to meet a contact in Washington, it suggests a possible role with headlines from the government daily Cambio: "Separatism finalized its plans in Washington" and "Separatism had contacts in Washington."

¶17. (U) Rozsa also allegedly told "Istvan" that "we have organized the armed forces" of Santa Cruz and that "the objective is to have 1,000 trained people and 2,500 civilian reserves." In the e-mails, Rozsa refers to an "agency" that could provide assistance for the formation of a Santa Cruz-based militia. In a separate released e-mail to a supposed Slovak named Ivan Pistovcak, Rozsa reveals the names of the Santa Cruz leaders, or "the uncles," he asserts helped support and lead the group: Ruben Costas (Governor), Branko Marinkovic (ex-President of the Civic Committee), Eduardo Paz (President of the Chamber of Commerce and Industry), Mauricio Roca (President of the Chamber of Agriculture and Ranching), and German Antelo (ex-President of the Civic Committee). All but Marinkovic publicly denied links to the group after the e-mails were released. GOB named suspect Alejandro Melgar (reportedly seeking refuge outside of Bolivia) is alleged to have bought a November 17 to December 22 plane ticket for Pistovcak. Media reports also focuses on Rozsa's identification of pro-government areas in Santa Cruz Department (state), referring to them as "communist centers."

(Note: The areas identified are all well-known pro-government strongholds. Some media reported Istvan and Pistovcak as separate individuals, others reported that Istvan was a pseudonym for Pistovcak. End Note.)

Comment

¶18. (C) These conspiracy theories seem far-fetched and baseless. But the charges against us and our officers in the past have been at least as flimsy as the scenarios presented

above. Perhaps the new bilateral talks and President Obama's reassurance in April at the Summit of the Americas that we are not trying to undermine Morales' government will keep the GOB from linking us to the Santa Cruz terrorism. However, neither development seems to have changed the government's visceral anti-U.S. tone and, according a ruling MAS party contact, no GOB request was made to the MAS caucus to do so. Although admittedly speculative, if past is prologue we cannot discount these possibilities and, in any event, should be prepared should they emerge. End Comment.

URS